

*By Mr. McLean:*

Q. That would be 30 per cent of the total; 60 per cent of one-half?—A. Two-thirds of what comes in from the States are cream separators or tractors.

Q. That would be two-thirds of one-half?—A. Yes.

*By Mr. Reid:*

Q. Is the reason that they come in the fact that they cannot be manufactured in Canada, or why do they come in?—A. Tractors?

Q. No, machines; if they have plants in Canada and plants across the line the question naturally arises as to why this company imports when they are manufacturing here; are they not in a position to supply the Canadian demand?—A. As I understand it the International Harvester Company is a widespread organization. It has a number of very large plants in the United States and if there is a machine for which there is only a small demand in Canada they would be foolish to instal production facilities in Hamilton to take care of that small output. That would be one factor.

*By Mr. Thorson:*

Q. They do not make tractors at all in the Canadian plant?—A. There have been no tractors made in Canada at any time.

*By Mr. Needham:*

Q. Did you find out what portion of the Canadian production is sent to the United States? I am referring to farm implements particularly and the possibility that there might be a difference in the price at which such an implement manufactured in Canada might be sold at in Canada and the price at which it might be sold for export to the United States or elsewhere?—A. I discussed that point in conversations with officials of the Harvester Company when in Chicago last week and they informed me that the export of Canadian-made implements to the United States was comparatively small. They mentioned I think particularly a cultivator and a heavy drill, and I think they indicated that of late years they had started to make one of these over there—

Q. I remember from the evidence of last year they were shipping a large drill down there?—A. Yes, a large drill, but I understand that has practically stopped and there is practically nothing being shipped from Hamilton. One exception to that is found in the fact that when production costs are favourable they ship castings from their foundries at Hamilton to the United States plant.

Q. I notice in your galley 3 you state:—

The situation regarding this company is further complicated by the fact, referred to on several previous occasions during the conduct of the inquiry, that the parent company has invoiced (manifested) to the Canadian company, tractors, implements, and parts, manufactured in its United States plants for sale in Canada at prices considerably in excess of those at which it would have sold the same product to its selling subsidiary in the United States.

Can you give us any information about that?—A. That shows in Exhibit B.

Q. That is shown in Exhibit B?—A. Yes. Information with respect to all these sections would be found in greater detail in supplementary statements.

*By Mr. Perley:*

Q. Practically 32 per cent of the Canadian business is in tractors?—A. That would be about right.

Q. Of which they do not manufacture any in Canada?—A. That is correct.

Q. Is there any reason why they could not?—A. I think you would have to ask the implement company that, Mr. Perley; I understand that the Massey-Harris Company at one time did manufacture tractors in Canada, but they have discontinued it.

[Mr. Walter Macdonald.]